



NEWS RELEASE

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for the
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July 9, 2009

United States Attorney Joe Stecher and the Federal Bureau of Investigation announce the following information for the attention of the media:

Event Triggering this Release:

On July 9, 2009, the Honorable Joseph F. Bataillon, Chief United States District Court Judge, sentenced Jerome Osberger, age 45, to 48 months in prison following his conviction for four counts of wire fraud. He was also ordered to pay restitution in the amount of \$387,400.00 and will be required to serve a 3 year term of supervised release following his incarceration. Osberger was convicted by a United States District Court Jury on April 3, 2009, following a four day jury trial. United States District Judge Joseph F. Bataillon immediately remanded Osberger to the custody of the United States Marshal following the verdict and ordered him held pending sentencing.

During the jury trial it was proven that in 2004 Osberger, then living in the State of Florida, held himself out as someone who could arrange millions of dollars in financing for worthy borrowers. He claimed to have access to a network of international financiers, both individuals and institutions, who would lend money to borrowers through his efforts. Osberger convinced HMA Hotels, LLC, (HMA), a company that owned 4 hotels in Missouri and one in Lincoln, Nebraska, that he could arrange \$35 million in financing for HMA to use to refinance preexisting debt and remodel HMA facilities. Osberger also represented that, if necessary, he could fund the loan himself with personal funds. Osberger convinced HMA to send him a \$250,000.00 "commitment" fee which he agreed to hold in a segregated account until closing. He also convinced HMA to pay him approximately \$117,000.00 as reimbursement for expenses he had allegedly incurred in arranging the financing.

Trial testimony established that Osberger never had the ability to arrange \$35 million in financing, never placed the \$250,000.00 commitment fee in a segregated account and had fabricated all the expenses he used to claim reimbursement. With regard to his claim that he could "personally" fund the transaction, the jury heard Osberger had no reported income for the years 2001 through 2006. Lastly, the jury heard Osberger had similarly defrauded a developer attempting to develop property near Branson, Missouri, by representing he could arrange \$150 million in financing for that project. That individual lost \$20,400.00 from his dealings with Osberger. Evidence presented to the jury established that Osberger immediately began to

withdraw the funds given to him by HMA and all funds were gone in a matter of months. In fact, one day after Osberger received the \$250,000.00 check that was supposed to be held in a “segregated” account he withdrew approximately \$67,000.00 which he used to purchase two cars.

The case was the result of a lengthy investigation conducted by the Lincoln office of the Federal Bureau of Investigation.

Name of Defendant: Jerome Osberger

AKA:

Age: 45

City of residence: Toledo, Ohio

Crime(s) Charged and Potential Penalty (A CHARGE is merely an accusation and every defendant is presumed innocent until and unless proven guilty): Four counts of Wire fraud. Up to twenty years imprisonment on each count, a \$250,000.00 fine or both to be followed by a three year term of supervised release. There is also a \$100 special assessment for each count

Specific Location of Alleged Crime: Lincoln, St. Louis, Missouri and Florida

Location of Arrest: NA

Alleged Dollar Loss/Type and Quantity of Drug: Approximately \$367,000.00 owed to HMA victims and an additional \$20,000 owed to the Branson, Missouri, developer

Others Charged in Same Scheme: none

Relevant Dates:

Date of Alleged Crime: February through November of 2004

Federal Arrest Date: NA

Date Complaint Issued: NA

Indictment Returned Date: July 16, 2008

Initial Appearance Date: July 29, 2008

Plea or Trial and Date(s): Trial–March 30, 2009, through April 3, 2009

Sentencing Date: July 9, 2009

Next Court Hearing Type and Date: NA

Assigned Magistrate Judge: The Honorable Thomas D. Thalken

Held without Bond, or Released from Custody: released from custody until conviction

In Continuous Custody Since: April 3, 2009

Assigned District Court Judge: The Honorable Joseph F. Bataillon, United States District Judge

Initials of Assigned AUSA/Preparer of THIS Release: JWS